

Rail North Committee Meeting –

Subject: Priorities for the Future Rail Services

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Sponsor: David Hoggarth, Strategic Rail Director

Meeting Date: 21 October 2020

1. Purpose of the Report:

1.1 The Blake Jones Review Action Plan identified the opportunity to move on from the necessary re-active responses to the performance issues ensuing from previous timetable changes and allow Transport for the North and its members to shape the future planning of rail services. This report proposes a process for Transport for the North to provide advice to the industry on future priorities – particularly reflecting the challenges and uncertainty caused by the Covid-19 pandemic.

2. Executive Summary:

2.1 The report highlights work initiated by Transport for the North which focussed on gaps in service and capacity compared to the previous franchise commitments; however, the impact of Covid-19 on demand, revenue and service provision means that initially the focus will be on planning the medium and longer term response to the impact of the pandemic. The proposal in this report is to bring together local knowledge and evidence with the expertise of the train operator planning teams in a new collaboration. It is a key part of re-setting the relationship between Transport for the North and the industry.

2.2 A workstream had been initiated with the intention of enabling Transport for the North and its member organisations to indicate to the train operators the rail services about which they were most concerned, on the basis that many services were experiencing crowding and there was a concern that not all of the previous franchise commitments had been delivered (due to factors such as delays in infrastructure schemes), thereby reducing capacity below expectations.

2.3 It is recommended that this workstream be progressed by holding a workshop every six months, at which the train operators and Transport for the North partners can share updated information and topics of concern and agree actions to address capacity issues. The workshops will therefore also provide a forum in which any issues that arise during the recovery of passenger rail demand from Covid-19 can be discussed. It is expected that different rail markets and services

will be impacted differently, and the workshops will thus allow Transport for the North's partners to see the latest data from the operators and thereby understand the implications of any emerging trends.

3. Background:

- 3.1 The impact of Covid-19 on rail services and demand is very significant. At the time of writing, whilst operators have restored their services to around 80-90% of pre-Covid levels (by building back incrementally from the initial keyworker timetables), passenger demand has fallen back to around 30% of previous levels. This creates an obvious mismatch between the cost of running services and the number of passengers benefitting. Whilst the government is picking up the extra subsidy required in the short term, there will clearly be pressure to reduce the taxpayer burden to more sustainable levels.
- 3.2 Whilst the extra capacity provided helps facilitate social distancing during the pandemic and helps build confidence with passengers, the underlying changes in travel patterns (for example the acceleration of more flexible home working) mean that the previous assumptions about demand increasing to near normal levels within 1-2 years may no longer hold. There are also signs of a more profound shift in commuting patterns, with the morning peak no longer being the main driver for resources and capacity that is then utilised throughout the day. The afternoon period is currently where the greatest (albeit significantly lower than previously) demand is being seen. A positive outcome of the lower demand and reduced service levels is a railway which is performing at a significantly better level than has been seen for many years in the North of England; maintaining this to help re-build confidence will be important.
- 3.3 Transport for the North has been analysing industry scenario planning and undertaking its own local analysis. As we move into a potential second wave of the pandemic with more regional restrictions on activities and movement, the level of uncertainty in the future demand is further highlighted. Whilst short-term changes may be necessary (and can be implemented through the successful joint contingency working with the industry), it is important that Transport for the North, and other bodies, engage in the medium and longer-term thinking about rebuilding demand as a means of reducing unnecessary costs, and matching services to actual demand levels. Such action is a pre-requisite to ensuring that the railway is sustainable going forward.

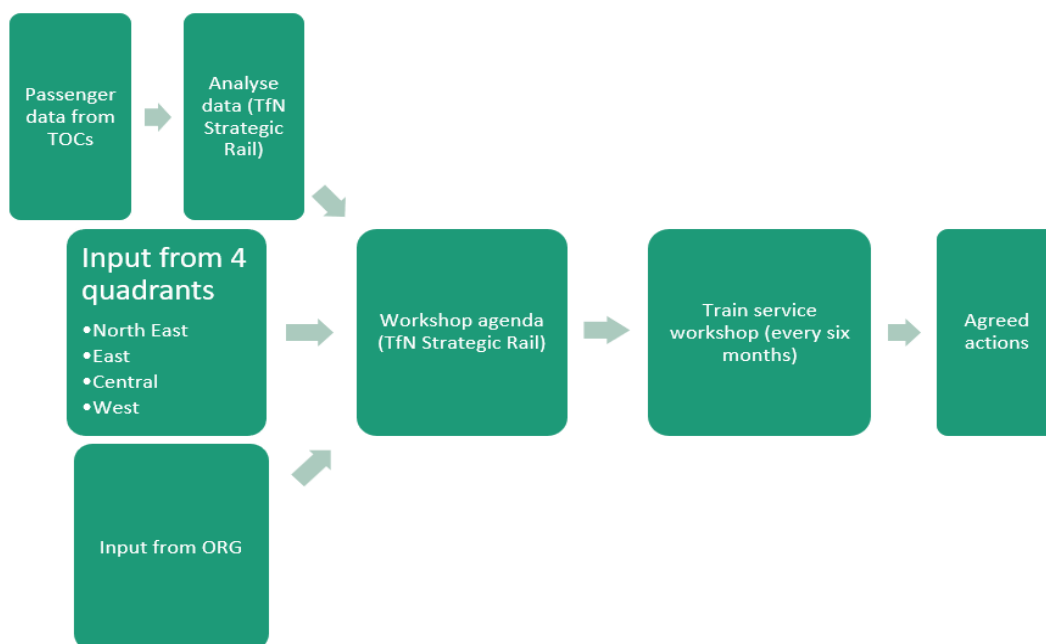
This action is also important in order to ensure there is a credible case for any future enhancements and investment. The objective throughout must be to ensure that there is a long-term sustainable railway in the North which meets passenger needs and that the recent

progress on enhancing the railway and making it fit for purpose is maintained.

- 3.4 In response to requests originally made by lead officers at the end of 2019, Transport for the North initiated a workstream to assess how the uneven delivery of franchise commitments had impacted upon passenger capacity and overcrowding on Northern Rail's services. This culminated in a multi-criteria assessment of over 100 service groups across the North, which rated the level of concern for each service based on volume of passengers carried, crowding at peak times, average weekday loading (as a percentage of capacity), expected passenger growth (to 2033), journey time (as compared to Transport for the North's Desirable Minimum Standards), and perceived variation from previous franchise commitments.
- 3.5 This workstream resulted in an assessment by Transport for the North's Strategic Rail team of over 100 service groups against multiple criteria. However, the base data has become outdated and less relevant due to the Covid-19 pandemic, whilst some partner organisations were able to provide more pertinent information about crowding issues. As a result, a combined list of "services of greatest concern" has been assembled for submission to Northern Trains with the intention being to hold a workshop at which amelioration measures can be discussed. A similar process would also be established with TransPennine Express.
- 3.6 In addition to Transport for the North's workstream, Transport for Greater Manchester (TfGM) and West Yorkshire Combined Authority (WYCA) had previously commissioned their own analyses of which rail services in their areas were experiencing the highest levels of crowding. These were based on data observed in surveys, which varied considerably from the data modelled from ticket sales that is provided by Rail Delivery Group. This information informed an initial list of priorities. It is then intended that operators be asked for a response as to how they will ameliorate any issues identified, leading to a workshop (initially with Northern Trains) in early to mid-November 2020 at which lead officers can interact directly with the operators. It should however be noted that while social distancing measures are still in force, it will sometimes be necessary to adopt a more agile approach to managing service issues, and the new Rail North Officer Group (Operations) forum should be used to do this.
- 3.7 TfN Strategic Rail will compile the agenda for each workshop. This will enable partners to alter their priorities as the demand for rail travel develops in the coming years. It is anticipated that as the economy and transport recover from the pandemic, the extent to which specific markets and services are impacted will differ. The principal methods by which new issues and information will be fed in to the workstream are:

- The operators will be asked to provide updated passenger counts to Strategic Rail, which will enable current patronage to be compared to pre-Covid demand levels and the demand recovery forecasts provided by DfT and others. It is expected that the long-term impact of the pandemic will affect different markets (e.g. commuting, business, leisure travel) in varied ways; specific rail services will therefore be affected differently. As the pattern of future demand becomes evident, the services about which partners are most concerned will thus most likely change.
- There is currently a process by which local authorities liaise directly with the operators in local meetings (e.g. Quadrant meetings). If appropriate, items can be raised at these meetings and escalated to the rail service priorities workshops. This aspect of the process is intended to ensure that all geographical areas within Transport for the North's territory are represented in the workshop priorities. (It should however be noted that each quadrant performs different functions at present, and that before this process is enacted, it would be advisable to review the quadrant system and check the extent to which each quadrant wishes to become involved in the rail service workshop process.)
- It will also be possible to add items to the agenda by raising them directly at Officer Reference Group (ORG).

This process is illustrated by the diagram below:



4. Recommendations:

- 4.1 It is recommended that the Committee notes the significant impact on demand, revenue and subsidy that the pandemic is having and the risk this poses for future rail services and enhancements in the North of England.
- 4.2 It is recommended that Transport for the North engages with the industry on the medium and long-term response to the challenges as set out in this report.

List of Background Documents:

None

Required Considerations

Equalities:

Age		No
Disability		No
Gender Reassignment		No
Pregnancy and Maternity		No
Race		No
Religion or Belief		No
Sex		No
Sexual Orientation		No

Consideration	Comment	Responsible Officer	Director
Equalities	There are no equalities issues to consider as the report does not contain any specific proposals.	David Worsley	David Hoggarth

Environment and Sustainability

	No
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Consideration	Comment	Responsible Officer	Director
Environment and Sustainability	There are no equalities issues to consider as the report does not contain any specific proposals.	David Worsley	David Hoggarth

Legal

	No
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Consideration	Comment	Responsible Officer	Director
Legal	There are no legal issues as a result of this report.	Deborah Dimock	Dawn Madin

Finance

	No
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Consideration	Comment	Responsible Officer	Director
Finance	There are no direct financial issues for	Paul Kelly	Iain Craven

	Transport for the North as a result of this report as the financial risk on rail services is borne by the Department for Transport.		
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Resource

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Consideration	Comment	Responsible Officer	Director
Resources	There are no resource issues resulting from this report as the work outlined will be undertaken with existing budgeted staff.	Stephen Hipwell	Dawn Madin

Risk

	No
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Consideration	Comment	Responsible Officer	Director
Risk	The report highlights the risk to future services as a result of Covid-19 and the impact on demand and revenue and engaging proactively with the industry is part of the mitigation strategy.	Haddy Njie	Iain craven

Consultation

	No
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Consideration	Comment	Responsible Officer	Director
Consultation	The report highlights that partner authorities have been consulted and will continue to be involved in developing priorities for future services.	David Worsley	David Hoggarth